

**Testimony of US Energy Group
Before the Energy & Technology Committee**

In Support of
**HOUSE BILL 5385, AN ACT CONCERNING ENERGY RETROFITS
FOR CERTAIN BUILDINGS AND THE DISCLOSURE OF THE
ENERGY EFFICIENCY OF CERTAIN BUILDINGS**

Submitted by
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Senator Fonfara, Representative Nardello, and members of the Committee,

US Energy Group is pleased to have the opportunity to comment on House Bill 5385, AAC Energy Retrofits for Certain Buildings and the Disclosure of the Energy Efficiency of Certain Buildings.

US Energy Group is a metro-New York based building energy management solutions firm, which develops and integrates energy control, monitoring and analysis hardware and software systems for large residential and commercial properties. The company has completed projects in buildings in Connecticut as well. With the slogan "Building Efficiency Through Information Management," the company's Building Energy Management System (BEMS) integrates: USE-Manager™ Online Monitoring, heating and cooling system USE-Controllers, and USE-PPM (Premium Portfolio Management Services). US Energy Group's BEMS controls and monitors energy and fuel use, prevents overheating and provides significant savings, with payback in less than two years. US Energy Group's Verifier® Digital Fuel Gauge is a patented ultrasonic measurement system which enables building owners and managers to verify the amount of oil they receive, as well as control their inventory and budget. The USE-Controller and USE-Verifier have received the ETL Mark, indicating superior product safety and quality. With US Energy Group's products and services, building owners save money, conserve energy and enhance tenants' comfort.

I support this bill, which directs the Department of Energy and Environmental Protection to establish a program for providing prospective homebuyers and apartment tenants with information about the energy efficiency performance of homes they are considering. House sellers would get an energy audit of their property done (at which time the auditing company would also provide suggestions for cost-effective improvements to the property), and landlords would provide prospective tenants with recent utility bills. This legislation also creates an energy benchmarking program for large commercial buildings, under which building managers can use a simple online tool to track efficiency performance over time.

Connecticut has old housing stock, much of it built before any meaningful energy building codes were in place. 84 percent of our homes were built before 1980, and 45 percent before 1960. That means that **most state residents are living in inefficient buildings**, many of them expensive to heat through New England winters. Buildings built before the adoption of energy codes use on average 23 percent more energy per square foot than those built after 1990.

Improving building efficiency has great potential for cutting emissions. This means that there is not only a personal advantage (to individual homebuyers/tenants), but a societal interest for everyone who wants cleaner air to breathe, and a **state interest because these reductions will be essential in meeting the state's greenhouse gas obligations** under the 2008 Global Warming Solutions Act (Public Act 08-98).

Increasing demand for energy audits and retrofit services will have a positive effect on Connecticut's economy. This kind of work cannot be outsourced; it must be done by local workers. In addition, residents who save on their energy bills can spend that money in their hometowns, rather than sending it to out-of-state energy companies.

The commercial building benchmarking program will allow energy service companies (ESCOs) to market directly to building managers. The typical ESCO model is as follows: 1) the ESCO conducts an energy audit of a commercial building, makes recommendations for cost-effective improvements, and does those retrofits, all at no cost to the building owner; 2) the building owner and the ESCO split the cost savings from the efficiency improvements for an agreed-upon period of time; 3) after that time the full cost savings go to the building owner. This model benefits the ESCO, the client business, the business's customers, and the general public.

Mandatory building energy rating is a proven program, already working in California, Nevada, Washington, Oregon, and New Mexico, in cities like New York City, and Washington, D.C., and in countries worldwide.

The Connecticut legislature considered a **very similar residential disclosure program in 2008.** That bill *unanimously* passed the Energy & Technology, Insurance, and Finance Committees; unfortunately the time pressure of a short session meant that it never went before the full chambers. The timing is even better now, as the state's efficiency fund budget is set to increase dramatically, meaning that state efficiency programs like Home Energy Solutions could be expanded, and energy audits offered at low or no cost.

Studies have shown that **in a poor housing market, consumers are more likely to buy an energy efficient home** than a conventional one, so being able to point to a home's strong efficiency rating can help a seller move their property.

There are two main advantages to having the residential disclosure be mandatory, rather than voluntary: one is that only a **mandatory program will turn efficiency into a major market force** and properly reward building owners who have invested in efficiency; the other is that a **mandatory program serves a consumer protection function** by ensuring that prospective tenants and homebuyers who are not well-versed in building energy efficiency will have the same access to information as well-informed customers, so landlords and sellers cannot pawn off an inefficient home on a disadvantaged renter/buyer.

Please support HB 5385 for the cost savings it offers Connecticut residents, the benefits to our air quality, and the additional economic activity and jobs it will generate in the efficiency and energy services sector.

Thank you for your consideration.

Sincerely,

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